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REPORT BY THE

Comptroller General

OF THE UNITED STATES

ORIGINAL
COMPLETED

Better Planning Needed By Postal Service In Relocating Mail Processing Operations

The Postal Service's relocation of its mail processing operations from York to Lancaster, Pennsylvania, reflected inefficiency in the transfer, poor handling of personnel actions, and poor communication between management officials and employees.

GAO recommends that the Postal Service revise its guidelines for future relocations to require that

--employees are informed about the transfer,

--adequately trained personnel are available to handle postal operations, and

--staffing levels projected by economic feasibility studies are sufficient to handle the facilities' workloads.

SUMMARY

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DECEMBER 18, 1980

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REPORT BY THE COMPTROLLER
GENERAL OF THE UNITED STATES

BETTER PLANNING NEEDED BY POSTAL SERVICE IN RELOCATING MAIL PROCESSING OPERATIONS

D I G E S T

In October 1979 the Postal Service transferred selected mail processing functions from York, Pennsylvania, to the newly constructed facility in Lancaster, Pennsylvania. In doing so, the Service failed to effectively communicate with its employees creating a possible morale issue, and overestimated the annual savings attributable to the move. Future moves should be better planned and implemented.

PERSONNEL ACTIONS COULD HAVE BEEN HANDLED BETTER

Although the Postal Service informed union officials in November 1978 about the impending consolidation, it did not directly provide York employees any information about the transfer until July 1979. Prior to this notification, postal officials made misleading statements concerning the effect of the consolidation on York employees. (See p. 5.)

Subsequent to the July notification, Postal Service officials held meetings with union officials but did not meet with employees to explain their rights and options. GAO discussions with employees indicated that at the time of the transfer they were confused and not fully informed about their rights and options. (See p. 6.)

After GAO brought this matter to the Postal Service's attention, the Service's Eastern Region issued a directive to local management officials requiring them to communicate directly with employees in future actions involving employee relocations, rather than deferring this function to the union. It also directed local managers to advise employees as to their rights and options. (See p. 7).

TRAINING NEEDS NOT MET IN A TIMELY MANNER

At the time the Postal Service implemented the York/Lancaster consolidation, the number of trained personnel at both locations was not sufficient to perform necessary postal operations. The lack of trained personnel probably increased operating costs and hampered postal operations at both York and Lancaster. (See p. 8.)

At Lancaster, not enough trained letter-sorting machine operators were available. At York, senior employees retained to fill positions such as machine operators and window clerks needed training to perform these jobs.

To accomplish the necessary mail processing functions, the Service increased overtime workhours and used the services of personnel from associate offices.

POSTAL SERVICE OVERESTIMATED SAVINGS

The Postal Service's economic feasibility study projected that annual savings of almost $1 million would result from the transfer of selected mail processing operations from York to Lancaster. GAO believes that annual recurring savings were overestimated by at least $337,000. (See p. 13.)

The study overestimated the number of people "excess" to York's needs and underestimated the number of people needed to handle Lancaster's increased workload.

The Service's study also did not consider costs which should be expected to occur on a one-time basis. GAO estimates that startup costs for training, employee relocation, and overtime totaled about $147,700. (See p. 16.) On the other hand, transportation costs during the first year will be $35,600 less than the study projected. (See p. 16.)

YORK LANCASTER CONSOLIDATION HAD LIMITED IMPACT ON SERVICE

The transfer of mail processing functions from York to Lancaster did not significantly affect the service to most postal patrons. Although at the outset some patrons experienced problems, the Service took timely action to resolve them. (See p. 18.)

RECOMMENDATION TO THE POSTMASTER GENERAL

GAO recommends that the Postal Service revise its guidelines for future relocations of mail processing functions to require that

--employees are adequately informed about the transfer,

--adequately trained personnel are available to handle postal operations, and

--staffing levels produced by economic feasibility studies are sufficient to handle the workload of the gaining and losing facilities.

AGENCY COMMENTS

The Postmaster General agreed with GAO's findings and is taking actions consistent with its recommendations. (See app. II.)

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